

this section. Such request shall be submitted to the Administrator by the allowance transfer deadline for the control period and include, in a format prescribed by the Administrator, the identification of the CAIR NO<sub>x</sub> source and the appropriate serial numbers.

(2) *First-in, first-out.* The Administrator will deduct CAIR NO<sub>x</sub> allowances under paragraph (b) or (d) of this section from the source's compliance account, in the absence of an identification or in the case of a partial identification of CAIR NO<sub>x</sub> allowances by serial number under paragraph (c)(1) of this section, on a first-in, first-out (FIFO) accounting basis in the following order:

(i) Any CAIR NO<sub>x</sub> allowances that were allocated to the units at the source, in the order of recordation; and then

(ii) Any CAIR NO<sub>x</sub> allowances that were allocated to any entity and transferred and recorded in the compliance account pursuant to subpart GG of this part, in the order of recordation.

(d) *Deductions for excess emissions.* (1) After making the deductions for compliance under paragraph (b) of this section for a control period in a calendar year in which the CAIR NO<sub>x</sub> source has excess emissions, the Administrator will deduct from the source's compliance account an amount of CAIR NO<sub>x</sub> allowances, allocated for the control period in the immediately following calendar year, equal to 3 times the number of tons of the source's excess emissions.

(2) Any allowance deduction required under paragraph (d)(1) of this section shall not affect the liability of the owners and operators of the CAIR NO<sub>x</sub> source or the CAIR NO<sub>x</sub> units at the source for any fine, penalty, or assessment, or their obligation to comply with any other remedy, for the same violations, as ordered under the Clean Air Act or applicable State law.

(e) *Recordation of deductions.* The Administrator will record in the appropriate compliance account all deductions from such an account under paragraphs (b) and (d) of this section and subpart II.

(f) *Administrator's action on submissions.* (1) The Administrator may review and conduct independent audits

concerning any submission under the CAIR NO<sub>x</sub> Annual Trading Program and make appropriate adjustments of the information in the submissions.

(2) The Administrator may deduct CAIR NO<sub>x</sub> allowances from or transfer CAIR NO<sub>x</sub> allowances to a source's compliance account based on the information in the submissions, as adjusted under paragraph (f)(1) of this section, and record such deductions and transfers.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25384, Apr. 28, 2006]

#### § 96.155 Banking.

(a) CAIR NO<sub>x</sub> allowances may be banked for future use or transfer in a compliance account or a general account in accordance with paragraph (b) of this section.

(b) Any CAIR NO<sub>x</sub> allowance that is held in a compliance account or a general account will remain in such account unless and until the CAIR NO<sub>x</sub> allowance is deducted or transferred under § 96.154, § 96.156, or subpart GG or II of this part.

[70 FR 25339, May 12, 2005, as amended at 71 FR 25384, Apr. 28, 2006]

#### § 96.156 Account error.

The Administrator may, at his or her sole discretion and on his or her own motion, correct any error in any CAIR NO<sub>x</sub> Allowance Tracking System account. Within 10 business days of making such correction, the Administrator will notify the CAIR authorized account representative for the account.

#### § 96.157 Closing of general accounts.

(a) The CAIR authorized account representative of a general account may submit to the Administrator a request to close the account, which shall include a correctly submitted allowance transfer under §§ 96.160 and 96.161 for any CAIR NO<sub>x</sub> allowances in the account to one or more other CAIR NO<sub>x</sub> Allowance Tracking System accounts.

(b) If a general account has no allowance transfers in or out of the account for a 12-month period or longer and does not contain any CAIR NO<sub>x</sub> allowances, the Administrator may notify